



GENEVA STEEL

P.O. BOX 2500
PROVO, UTAH 84603

TELEPHONE: (801) 227-9000
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September 9, 1999

Oldcastle, Inc.
1000 West Center Street
North Salt Lake City, Utah 84054
Attention: S. Val Staker

Re: *Keigley Quarry*

Gentlemen:

This letter agreement when signed by GENEVA STEEL COMPANY, Debtor and Debtor in Possession ("Geneva") and OLDCASTLE, INC., a Delaware corporation ("Oldcastle") will constitute the agreement of Geneva and Oldcastle to enter into and consummate the purchase and sale of (a) property located in Utah County, Utah, described on Exhibit A hereto and commonly known as the Keigley Quarry, and (b) and the operating assets owned and used by Geneva in the mining business at such property, (such property collectively referred to herein as "Property"). The transactions contemplated by this letter agreement are referred to as the "Transaction."

As partial consideration for this letter agreement and the delivery to Geneva of the Letter of Credit provided for in the following paragraph, Geneva shall refrain from negotiating with any third party for the sale of the Property prior to the first to occur of (a) the Bankruptcy Approval, as hereinafter defined, (b) termination of this letter agreement as provided for herein, or (c) entry into a definitive agreement (the "Definitive Agreement") clarifying and detailing the agreements set forth herein.

No later than September 10, 1999, Oldcastle shall cause to be issued and delivered to Geneva an irrevocable, transferable, and unconditional sight-draft letter of credit (the "Letter of Credit"), in the amount of \$100,000.00, issued or confirmed by a Utah bank acceptable to Geneva, naming Geneva as beneficiary, and with a term which expires no sooner than November 30, 1999. The Letter of Credit shall provide that the draft for payment may be presented any time after receipt of Bankruptcy Approval or termination of this letter agreement pursuant to Section 14 hereof, but prior to the expiration date thereof. The Letter of Credit shall otherwise be in form and substance as set forth in Exhibit B hereto, or such other form as Geneva may in its sole discretion approve. Any

confirmation shall be in form and substance acceptable to Geneva. Any proceeds from the Letter of Credit received by Geneva shall be applied toward the purchase price in the event the Closing, as defined herein, shall occur. The proceeds from the Letter of Credit shall be refundable to Oldcastle only in the event Geneva accepts a competing offer as contemplated in Section 13 hereof, or Geneva defaults in the performance of its obligations hereunder and fails to close the Transaction.

The parties shall negotiate in good faith to enter into a mutually acceptable Definitive Agreement by September 24, 1999. Such date shall not be extended or deemed to be extended by any act or omission of either party except by a written agreement by both parties expressly agreeing to extend such date. If the parties shall be unable to agree on the final terms and conditions of the Definitive Agreement, they will be bound and governed by this letter agreement. Oldcastle acknowledges that Geneva is relying on the undertakings, terms and covenants of Oldcastle in entering into this letter agreement and is foregoing other opportunities for the sale of the Property as a direct result of such reliance.

Except as expressly provided for below, the Property is being sold "as is" and "where is" in all respects; neither Geneva nor any of its directors, officers, employees, attorneys, agents or representatives has made and makes any warranty or representation whatsoever regarding the Property, or any other matter in any way related to the Property or the property at the Geneva Steel Works to be optioned by Oldcastle hereunder, including, but not limited to, title (except as may be contained in the deeds and bill of sale to be given to Oldcastle at Closing, as hereinafter defined), reserves, appropriation or beneficial use of water, utilities, subdivision, zoning, use, value, environmental condition, access, wetlands, or any other condition of the such property or any improvement or personal property located thereon. Oldcastle represents that it has inspected such property and is of sufficient sophistication and financial ability to evaluate the merits of the purchase and/or lease of such property. Oldcastle is not relying upon, and hereby specifically waives any claim of liability based on, any statement, representation, warranty, promise, covenant, or undertaking by Geneva or any other person representing or purporting to represent Geneva in connection with such property.

In the Transaction, Geneva and Oldcastle agree to perform as follows:

1. The purchase price for the Property is \$10 Million payable as follows:
 - a. \$8.5 Million shall be paid in cash at the Closing; and
 - b. \$1.5 Million shall be paid by Oldcastle to Geneva 5 business days after the issuance to Oldcastle of a governmental land use permit and/or zoning change (the "Land Use Permit") from Utah County or such other governmental body

having zoning jurisdiction over the Property permitting the use of the Property for an asphalt plant and a concrete batch plant; provided that the payment provided for in this Section 1.b shall be payable to Geneva only if such Land Use Permit is issued on or before February 1, 2001 or all or any part of the patented or unpatented mining claims included in the Property are sold or otherwise transferred by Oldcastle to a third party not controlled by Oldcastle on or before February 1, 2001. Oldcastle shall use its commercially reasonable efforts to obtain the Land Use Permit as soon as practicable after the date of this letter agreement.

The purchase price shall be net to Geneva and shall not be adjusted except for the proration of real property taxes and utilities as of the date of Closing.

2. The closing of the Transaction (the "Closing") shall take place on a mutually agreed upon business day in Salt Lake City, Utah (or such other location as may be mutually agreed upon by the parties) as soon as practicable but not more than 5 business days after issuance of the Bankruptcy Approval, currently anticipated on or about October 1, 1999; provided that in no event shall the Closing occur later than October 31, 1999, unless extended as provided below.

3. Title to the Property will be conveyed as follows: (a) by special warranty deed as to fee simple interests (including patented mining claims), (b) by quit-claim deed as to unpatented mining claims and water rights, and (c) by a bill of sale without warranty as to any personal property included in the Property. The special warranty deed shall convey title subject to the matters set out on the attached Schedule B, Section II, of a Title Insurance Commitment from Lawyers Title Insurance Corporation, except for the following items in Part I: Item 2 (non-record adverse claims known to Geneva that would materially interfere with the proposed operation by Oldcastle), Item 6 (concerning mechanic's liens for any performed services), Item 7 (concerning any new matters appearing of record on or after July 4, 1999, that would materially interfere with the proposed operation by Oldcastle), Items 13 and 14 (concerning the claims of ITT Commercial Finance Corporation), Item 15 (concerning a claim by Brown Minneapolis Tank), and Items 16 and 17 (concerning the need to have the proposed sale approved by the Bankruptcy Court).

4. If the Land Use Permit for the Property is not obtained prior to the date for the Closing after Oldcastle's commercially reasonable efforts to obtain it prior to such date, at the Closing Geneva and Oldcastle will enter into an option to lease (the "Option Agreement") approximately 8 acres of property (the "Premises") at the Geneva Steel Works in Vineyard, Utah to be used by Oldcastle, if at all, for the processing of aggregates and the operation of an asphalt plant. The Option Agreement shall contain Geneva's standard lease terms and the following terms and other terms and conditions customary in a lease arrangement of this magnitude and type:

- a. Annual lease payments equal to \$36,000, increased each anniversary of the lease commencing on the option date, such increase to be equal to the percentage increase in the Consumers Price Index (All Urban Consumers) All Items (CPI-U), from the date hereof or any anniversary hereof; provided that Geneva shall have the right to increase the lease payments to the then current market rate for the Premises every three years during the term of the lease;
- b. A 12-month term with 9 consecutive options to renew, each renewal for a period of one-year;
- c. An option exercise date of on or before February 1, 2001;
- d. Automatic termination of the lease one year after the issuance to Oldcastle of a Land Use Permit for the Property, such period to allow Oldcastle adequate time to vacate the Premises;
- e. An obligation for Oldcastle to use its commercially reasonable efforts to obtain necessary permits to allow materials from the Property to be processed at the Property or at a location other than the Premises; and
- f. At Geneva's sole option exercisable in writing anytime after February 1, 2003, Oldcastle shall either purchase the Premises at its then fair market value (as agreed upon by the parties or established by MAI appraisal) or vacate the Premises within 12 months after such notice. The lease shall expire no later than 12 months after the date of such notice.

5. The Property shall not include any stockpiled dolomite products removed from the Property prior to Closing, cash, cash equivalents, accounts receivable, prepaid assets, securities, investments, deposits, prepayments, refunds of taxes for periods prior to the Closing, contracts of insurance, proceeds thereof or claims thereunder or certain accounting, financial and management information.

6. Subject to specific exceptions subsequently agreed to by the parties, on or before the Closing and prior to hiring any other employee to work at the Property, Oldcastle shall first offer employment, effective as of the Closing, to those of Geneva's union employees currently assigned to the Property who are qualified to perform the tasks contemplated on terms and conditions acceptable to Oldcastle and consistent with the employment practices and compensation offered to

other employees of Oldcastle along the Wasatch Front. Oldcastle's obligations under this Section 6 are subject to the condition precedent that Oldcastle shall not nor shall it be required by law or otherwise to assume any of Geneva's obligations with respect to such employees whether arising out of employee benefit programs, collective bargaining agreements or otherwise.

7. Oldcastle shall replace the existing reclamation contract and surety bond for the Property with the Utah Division of Oil, Gas and Mining ("DOGM") and obtain a complete release of the reclamation and other obligations to DOGM by Geneva or its predecessors for the Property. Oldcastle shall be solely responsible to enter into and/or post all other bonds and/or enter into any other agreements with DOGM or any other government body required by law for the use or reclamation of the Property.

8. Except as otherwise provided in this letter agreement, neither party shall be required to assume or undertake to pay, satisfy, or discharge any of the liabilities, obligations, commitments or responsibilities of the other party except for (a) liabilities arising and accruing after Closing with respect to the Property and incurred in the ordinary course of business (such as utility, parts or other similar obligations) or (b) liabilities obligations, commitments or responsibilities arising under contracts assumed by such party.

9. At the Closing but subject to any necessary bankruptcy court approval and the cure by Geneva of any defaults existing at the time of assignment, Geneva shall assign and Oldcastle shall assume all of Geneva's outstanding rights and obligations under any (a) supply and service contracts applicable to the Property or the quarry business operated thereon, and (b) customer contracts or obligations related to products to be delivered after the date of Closing to the extent approved by Oldcastle, which approval will not be unreasonably withheld or delayed. Nothing set forth herein shall obligate Geneva to assume any such obligations or assign rights under contracts not assumed by Geneva.

10. From and after the Closing, Oldcastle shall supply Geneva with the following dolomite products pursuant to Geneva's standard terms and other terms and conditions and the following terms:

- a. Oldcastle (and its successors and assigns) will supply to Geneva up to 300,000 tons/year of Cole Canyon or bluebird dolomite from the Property meeting Geneva's specifications including a size consist not exceeding 1 to 2 ½ inches (based on existing raw material feed and processes, it is currently estimated that Geneva may consume up to 115,000 tons/year of dolomite from the Property unless non-fluxed iron ore pellets are used in the processes); and

- b. The purchase price for the Product shall be as follows:
- (1) \$3.25 per ton F.O.B. Keigley for years 1 through 5;
 - (2) \$3.50 per ton F.O.B. Keigley for years 6 through 10;
 - (3) \$3.75 per ton F.O.B. Keigley for years 11 and 12; and
 - (4) For years after year 12, Oldcastle's reasonable, documented direct costs of production plus 20%, not to exceed in any event the price for similar grades and quantities of product offered by other providers for delivery f.o.b. mine; and
- c. The term of the supply agreement shall be 50 years or such other term as the parties may from time to time agree in writing.

After the date of this letter agreement, Geneva and Oldcastle will negotiate in good faith to place the foregoing terms into a more definitive supply agreement reflecting the foregoing terms and conditions.

11. The rights and obligations of the parties under this letter agreement and the Definitive Agreement are and will be subject to the approval of the Bankruptcy Court. At its sole cost and expense, Geneva shall file with the Bankruptcy Court the necessary motions, notices and supporting papers, and a form of a 363 Order seeking court approval of this letter agreement and/or the Definitive Agreement and Geneva's performance hereunder and/or thereunder (the "Bankruptcy Approval"), and Geneva shall use its commercially reasonable efforts to obtain entry of the 363 Order. Oldcastle agrees that it will take such actions as are reasonably requested by Geneva to assist in obtaining the Bankruptcy Approval, including by furnishing affidavits or other documents or information for filing with the Bankruptcy Court. Geneva shall provide Oldcastle with copies of all motions, notices and supporting papers, and form of 363 Order motion, filed by Geneva with the Bankruptcy Court relating to the matters herein described, the form of which shall be reasonably acceptable to Oldcastle, which acceptance shall not be unreasonably withheld or delayed. The failure of Oldcastle to approve the form of any such filing within 48 hours after written request therefor shall be deemed to be an approval of such filing. In the event the entry into and performance hereof is not so approved by the date set for Closing, such date shall be subject to a one-time extension by Geneva to November 30, 1999, such extension to be effected by written notice from Geneva to Oldcastle. Such date may be extended beyond November 30, 1999 only upon the written agreement of the parties hereto. If at the end of such period (as such period may have been extended) Bankruptcy Approval has not been received, this agreement shall automatically be null and void and the Letter of Credit may be canceled by Oldcastle.

12. The rights and obligations of the parties under this letter agreement and the Definitive Agreement shall and will be subject to the further condition that Geneva shall have received the consent of Congress Financial Corporation, a Delaware corporation ("Congress Financial"), to Geneva's entry into this letter agreement, the Definitive Agreement and the consummation of the transactions contemplated hereby and thereby. Promptly after the signing of the Definitive Agreement by the parties hereto, Geneva shall request such consent by Congress Financial and use its commercially reasonable efforts in an attempt to obtain such consent.

13. In the event that at any time and from time to time prior to receipt of the Bankruptcy Approval by the parties, Geneva receives another bona fide offer or offers from any third party with a higher purchase price or more favorable terms and conditions to Geneva with respect to the Transaction (each, an "Other Offer") which Geneva desires to accept, Geneva shall give written notice to Oldcastle (the "Offer Notice") of such Other Offer, including a copy of the document reflecting such Other Offer. Unless otherwise agreed to by Geneva and Oldcastle, Oldcastle shall have a period of five (5) business days after receipt of such Offer Notice either (i) to terminate this letter agreement or the Definitive Agreement, if any, (which agreement shall then become null and void with no further rights or obligations hereunder or thereunder) or (ii) unconditionally agree in writing to modify this letter agreement or the Definitive Agreement, if any, to include the material terms and conditions set forth in the Offer Notice. If Oldcastle fails to timely so notify Geneva of its termination of this letter agreement or the Definitive Agreement, if any, or its unconditional acceptance of the terms and conditions set forth in the Offer Notice, this letter agreement and the Definitive Agreement, if any, shall at the option of Geneva automatically terminate, any proceeds of the Letter of Credit actually received by Geneva shall be refunded to Oldcastle, and thereafter this letter agreement and the Definitive Agreement, if any, shall be null and void and neither Geneva nor Oldcastle shall have any further rights or obligations hereunder or thereunder.

14. Oldcastle's obligation to consummate the Transaction is subject to the approval of the Board of Directors for Oldcastle's parent company, CRH plc. Oldcastle and the persons signing this letter agreement on its behalf shall take all necessary action to properly request, support and diligently pursue the obtaining of such approval by September 17, 1999. If such approval is not obtained by September 17, 1999, Oldcastle shall give prompt written notice to Geneva of such disapproval. If Board approval is not given by such date, Geneva at its option may at anytime thereafter terminate this letter agreement or the Definitive Agreement, if any, by written notice to Oldcastle, whereupon Geneva shall be entitled to receive the full amount of the Letter of Credit, this letter agreement and the Definitive Agreement, if any, shall thereafter automatically terminate and neither party shall have any further rights or obligations hereunder or thereunder.

15. EXCEPT FOR THE BANKRUPTCY APPROVAL, THE APPROVAL OF CONGRESS FINANCIAL, THE APPROVAL OF CRH, PLC'S BOARD OF DIRECTORS, AND THE RECEIPT BY OLDCASTLE OF THE OPTION AGREEMENT AND TITLE TO THE PROPERTY IN THE FORM CONTEMPLATED HEREBY, THE PURCHASE AND SALE OF THE PROPERTY IS NOT SUBJECT TO ANY OTHER CONDITION.

16. None of the terms or provisions of this letter agreement shall be deemed to create a partnership between Geneva and Oldcastle in their respective businesses or otherwise, or cause them to be considered as joint venturers, members of any joint enterprise, or a principal, agent, employer or employee. This letter agreement is not intended, nor shall it be construed, to create any third party beneficiary rights in any person or entity.

17. Oldcastle shall not make or issue any public or private statements or disclosures (whether orally or in writing) regarding this letter agreement or the Transaction without the prior written approval of Geneva unless required under applicable law and then only after reasonable notice to Geneva and an opportunity for Geneva to approve the nature of such statements or disclosures. Nothing in this Section 17 shall prevent disclosure of the fact of this letter agreement (but not the details thereof) once the motion for Bankruptcy Approval has been filed with the Bankruptcy.

18. Each of the parties hereto shall pay its own legal and accounting fees and other expenses incurred in connection with the proposed Transaction.

19. This letter agreement and the transactions and agreements contemplated hereby shall be governed by the laws of the State of Utah and any proceeding to interpret or enforce or related to or arising out of this such agreements shall be brought and maintained in the courts of such state. Each party hereto waives any right to a jury in the event of any such proceeding.

20. This letter agreement may be executed in any number of counterparts all of which shall constitute one in the same agreement. Facsimile signatures shall have the same effect as original signatures.

Oldcastle, Inc.
September 9, 1999
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Please indicate your agreement with the foregoing by executing and returning this letter agreement to me.

Sincerely,

GENEVA STEEL COMPANY,
Debtor and Debtor in Possession



Ken C. Johnsen, Executive Vice President

AGREED TO AND ACCEPTED:

OLDCASTLE, INC.

By: 

S. Val Staker, CEO Western Materials Group

EXHIBIT A
TO
LETTER AGREEMENT

The "Property" referred to in the foregoing letter agreement is more particularly described as follows:

Real Property

See description of patented and unpatented mining claims attached.

Water Rights

<u>Source</u>	<u>WUC No.</u>	<u>Priority Date</u>	<u>Cert. Number</u>	<u>Application Number</u>
Underground Well	53-43	1944	4385	A-15661
Underground Well	53-61	1949	4530	A-20729

Personal Property

All personal property owned by Geneva and located at the Property on the Closing date except as provided in Section 5 of the foregoing letter agreement.

PARCEL J

Commencing at the Northeast corner of Section 6, Township 6 South, Range 2 East, Salt Lake Base and Meridian; thence South 20 chains; thence West 20 chains; thence North 20 chains; thence East 20 chains to beginning.

PARCEL K

Patented

Placer mining claims, situated in the Eldorado Mining District, Utah County, Utah, described as follows:

Township 9 South, Range 1 East, Salt Lake Base and Meridian

Columbia Placer No. 19 embracing the Southwest 1/4 of the Northeast 1/4 of the Southeast 1/4, and the Southeast 1/4 of the Northwest 1/4 of the Southeast 1/4 of Section 22.

Columbia Placer No. 22 embracing the Southwest 1/4 of the Northeast 1/4 of the Northeast 1/4, and the Northwest 1/4 of the Southeast 1/4 of the Northeast 1/4 of Section 22.

Columbia Placer No. 26 embracing the West 1/2 of the Northeast 1/4 of the Northwest 1/4 of Section 22.

Columbia Placer No. 27 embracing the East 1/2 of the Northwest 1/4 of the Northwest 1/4 of Section 22.

Columbia Placer No. 28 embracing the West 1/2 of the Northwest 1/4 of the Northwest 1/4 of Section 22.

Columbia Placer No. 30 embracing the West 1/2 of the Southwest 1/4 of the Southwest 1/4 of Section 15.

Columbia Placer No. 31 embracing the East 1/2 of the Southwest 1/4 of the Southwest 1/4 of Section 15.

Columbia Placer No. 32 embracing the West 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 15.

Columbia Placer No. 29 embracing the following:

Beginning at a point on line 1-2, this survey, identical with the West line of Section 22, T9S, R1E, SLB&M, that bears North 00 deg. 26' West, 1131.5 feet from Corner No. 1, identical to the West 1/4 Corner of Section 22, and South 00 deg. 26' East 186.95 feet from Corner No. 2, this said point being offset 50.0 feet at right angles to the center line of the Strawberry High Line Canal and at the intersection of the Easterly right of way boundary of said canal with

line 1-2; and running thence North 00 deg. 26' West 186.95 feet to Corner No. 2; thence North 89 deg. 07' East 661.6 feet to Corner No. 3, thence South 00 deg. 23' East, 1150.15 feet along line 3-4 to a point that bears North 00 deg. 23' West 168.2 feet from Corner No. 4; this said point being offset 50.0 feet at right angles to the center line of the Strawberry High Line Canal and is at the intersection of the Easterly right of way boundary with line 3-4; thence North 36 deg. 23' West, 180.9 feet along said canal right of way to a point of curve; thence along said curve to the left, radius 451.8 feet for an arc distance of 114.1 feet, subtending a central angle of 14 deg. 28'; to the P.T.; thence North 50'51" West 93.7 feet to a point of curve; thence along said curve to the right, radius 250.0 feet, for an arc distance of 89.1 feet to the P.T., subtending a central angle of 20 deg. 25'; thence North 30 deg. 26' West 694.2 feet to the point of beginning.

Patented

PARCEL L

^ Placer mining claims described as:

Columbia Placer No. 6 embracing the East 1/2 of the Southwest 1/4 of the Southwest 1/4 of Section 23.

Columbia Placer No. 7 embracing the Northwest 1/4 of the Southwest 1/4 of the Southwest 1/4 of Section 23 and the Northeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 22.

Columbia Placer No. 8 embracing the Southwest 1/4 of the Northwest 1/4 of the Southwest 1/4 of Section 23 and the Southeast 1/4 of the Northeast 1/4 of the Southeast 1/4 of Section 22.

Columbia Placer No. 9 embracing the West 1/2 of the Northwest 1/4 of the Southeast 1/4 of Section 22.

Columbia Placer No. 12 embracing the South 1/2 of the Southeast 1/4 of the Northwest 1/4 of Section 22.

Columbia Placer No. 14 embracing the Northeast 1/4 of the Southwest 1/4 of the Southeast 1/4, and the Northwest 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 22.

Columbia Placer No. 15 embracing the North 1/2 of the Southeast 1/4 of the Northwest 1/4 of Section 22.

Columbia Placer No. 17 embracing the North 1/2 of the Northeast 1/4 of the Southeast 1/4 of Section 22.

Columbia Placer No. 18 embracing the South 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 22.

Columbia Placer No. 10 embracing the East 1/2 of the Northeast Quarter of the Southwest Quarter of Section 22, Township 9 South, Range 1 East, Salt Lake Base and Meridian, Utah less the following described tract of land:

Commencing at a point 1314.2 feet North and 459.3 feet West from the South 1/4 Corner of Section 22, Township 9 South, Range 1 East, Salt Lake Base and Meridian, which point lies on the South boundary of the Northeast 1/4 of the Southwest 1/4 of said Section; thence North 23 deg. 12' West 66.5 feet, thence along a curve to the left with a radius of 315.0 feet for an arc distance of 107.6 feet; thence North 42 deg. 46' West 150.0 feet; thence South 249.8 feet; thence East 200.7 feet to the point of beginning.

Placer No. 11 embracing the West 1/2 of the Northeast 1/4 of the Southwest 1/4 of Section 22, Township 9 South, Range 1 East, Salt Lake Base and Meridian, Utah, less the following described tract of land:

Commencing at a point 1314.2 feet North and 660 feet West of the South 1/4 corner of Section 22, Township 9 South, Range 1 East, Salt Lake Base and Meridian, which point lies on the South boundary of the Northeast quarter of the Southwest Quarter of said Section; thence North 249.8 feet; thence North 42 deg. 46' West 187 feet; thence along a curve to the left having a radius of 4075 feet for an arc distance of 263.2 feet; thence North 46 deg. 28' West 413.2 feet; thence South 899.1 feet; thence East 660 feet more or less to the point of beginning.

Columbia Placer No. 16 embracing the East 1/2 of the Southwest 1/4 of the Northwest 1/4 of Section 22, Township 9 South, Range 1 East, Salt Lake Base and Meridian, Utah, less the following described tract of land:

Commencing at a point 660 feet East more or less from the West 1/4 corner of Section 22, Township 9 South, Range 1 East, Salt Lake Base and Meridian; thence North 192.2 feet; thence along the center line of the Strawberry High Line Canal No. 34, thence South 36 deg. 04' East 36.9 feet; thence along a curve to the left having a radius of 750 feet for an arc distance of 200.9 feet; thence West along the South boundary line of the Northwest 1/4 of said Section 140.0 feet to the point of beginning.

All in Township 9 South, Range 1 East of the Salt Lake Base and Meridian, Utah County, Utah.

patented PARCEL M

The Columbia Placer No. 5 placer mining claim, situate in the Eldorado Mining District, Utah County, Utah, described as follows: Lot 1, Section 22, Township 9 South, Range 1 East, Salt Lake Base and Meridian.

patented PARCEL N

Payson Placer Mining Claim, placer mining claim, situate in the Eldorado Mining District, Utah County, Utah, described as the North half of the Northeast quarter, the Southeast quarter of the Northeast quarter, and the East half of the Southwest quarter of the Northeast quarter of Section 27, Township 9 South, Range 1 East, Salt Lake Base and Meridian.

PARCEL O

Commencing South 103.100 feet of the North 1/4 corner of Section 27, Township 9 South, Range 1 East, Salt Lake Base and Meridian; thence South 709.930 feet; thence North 41 deg 42'0" West 64.920 feet; thence North 34 deg 32'0" West 50.660 feet; thence North 26 deg 16'0" West 66.930 feet; thence North 13 deg 54'0" West 127.290 feet; thence North 3 deg 5'0" West 152.700 feet; thence North 23 deg 27'0" East 14.453 feet; thence North 3 deg 5'0" West 106.926 feet; thence North 23 deg 27'0" East 87.100 feet; thence North 52 deg 44'0" East 72.770 feet; thence North 22 deg 42'0" East 87.610 feet; thence North 103.100 feet; thence South 5 deg 46'59" East 146.007 feet to the point of beginning.

LESS AND EXCEPTING* any portion thereof not lying within the following described parcel:

Commencing South 103.100 feet from the North 1/4 corner of Section 27, Township 9 South, Range 1 East, Salt Lake Base and Meridian; thence South 589.900 feet; thence North 41 deg 42'0" West 64.920 feet; thence North 34 deg 32'0" West 50.660 feet; thence North 26 deg 16'0" West 66.930 feet; thence North 13 deg 54'0" West 127.290 feet; thence North 3 deg 5'0" West 45.774 feet; thence North 23 deg 27'0" East 72.647 feet; thence North 52 deg 44'0" East 72.770 feet; thence North 22 deg 42'0" East 87.610 feet; thence North 10 deg 41'58" East 79.245 feet to the point of beginning.

*(but only to the extent not owned by Grantor)

PARCEL P

Commencing at the Southwest corner of Northwest quarter of Section 26, Township 9 South, Range 1 East, Salt Lake Base and Meridian; thence North 20 chains, thence East 13.26 chains, thence South 21 deg. 50' West 4.97 chains, thence South 38 deg. 55' West 12.60 chains, thence South 2.98 chains, thence South 80 deg. East 3.68 chains, thence South 50 feet, thence South 80 deg. East 7.53 chains, thence West 14.55 chains to beginning.

PARCEL Q

Beginning at the center of Section 27, Township 9 South, Range 1 East, Salt Lake Base and Meridian, thence North 0 deg. 11' West 291.2 feet along the quarter Section line to the center line of the concrete canal lateral; thence North 68 deg. 02' East 156.8 feet; thence North 71 deg. 30' East 147.3 feet; thence North 74 deg. 51' East 141.8 feet, which point is also in the center line of said concrete canal lateral; thence North 31 deg. 05' East 191.7 feet along a fence line; thence North 2 deg. 44' East 331.1 feet along a fence line; thence North 39 deg. 38' West 318.0 feet along fence line; thence North 43 deg. 52' West 220.8 feet along fence line to the intersection of the North line of the Southwest 1/4 of the Northeast 1/4 of said Section 27; thence North 89 deg. 17' East 476.0 feet to the Northeast Corner of the West 1/2 of the Southwest 1/4 of the Northeast 1/4; thence South 0 deg. 14' East 1330.75 feet to the quarter section line; thence South 89 deg. 21' West 661.05 feet to the point of beginning.

TOGETHER WITH APPURTENANCE NO. 20:

Easement, dated May 9, 1951, executed by Ephraim R. Nelson and Radcliffe Nelson, collectively as grantors, and Geneva, as Grantee, and recorded in the Official Records as Entry No. 5253, in Book 550, at Page 500.

PARCEL R

A parcel of land situated in the Northwest Quarter of the Southwest Quarter of Section 22, Township 9 South, Range 1 East, Salt Lake Base and Meridian, Utah County, Utah, described as follows:

Beginning at a point located on the center line of Lateral No. 34 of the Strawberry High Line Canal, thence North 89 deg. 22' East 734.03 feet from the West Quarter corner of said Section 22 and running thence North 89 deg. 22' East 575.49 feet to the Northwest corner of Columbia Placer Mining Claim No. 11; thence South 0 deg. 06' East 464.36 feet along the Westerly boundary of said claim to its point of intersection with the center line of said canal; thence North 46 deg. 28' West 164.60 feet; thence, tangent to the last described course, along a curve to the left having a radius of 750 feet and a chord of 111.82 feet bearing North 50 deg. 44'30" West an arc distance of 111.90 feet; thence, tangent to the last described course, North 55 deg. 01' West 329.70 feet; thence, tangent to the last described course, along a curve to the right having a radius of 750 feet and a chord of 130.73 feet bearing North 50 deg. 01' West an arc distance of 130.90 feet to the point of beginning.

Less and excepting any portion lying within the bounds of the Strawberry High Line Canal.

Patented

PARCEL S

Placer mining claims, particularly described as follows:

Columbia Placer No. 1 embracing the South 1/2 of the Northwest 1/4 of the Northwest quarter of Section 26, Township 9 South, Range 1 East, Salt Lake Base and Meridian.

Columbia Placer No. 2 embracing the North 1/2 of the Northwest 1/4 of the Northwest 1/4 of said Section 26.

Columbia Placer No. 3 embracing the Southwest 1/4 of the Southwest 1/4 of the Southwest 1/4 of Section 23, and the Southeast 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 22, Township 9 South, Range 1 East, Salt Lake Base and Meridian.

Columbia Placer No. 4 embracing the Southwest 1/4 of the Southeast 1/4 of the Southeast 1/4 of Section 22, and the Southeast 1/4 of the Southwest 1/4 of the Southeast 1/4 of Section 22, Township 9 South, Range 1 East, Salt Lake Base and Meridian.

THE LAND REFERRED TO IN THIS POLICY IS SITUATED IN THE STATE OF UTAH, COUNTY OF IRON, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1

The Pinto Mine, Pinto No. 1 Mine, Pinto No. 2, Pinto No. 3, Pinto No. 4, Pinto No. 5, Pinto No. 6 and Black Hawk Mine Lode Mining Claims designated by the Surveyor General as Lot No. 4299 embracing a portion of Section 35 and 36, Township 36 South and of Section 2, Township 37 South, Range 14 West, Salt Lake Meridian, in the Pinto Iron Mining District, in the County of Iron, State of Utah. (For exact descriptions, see Patent recorded in Book 1, at Page 480)

PARCEL 2

The Black Hawk Fraction Lode Mining Claim designated as Survey No. 7144, embracing a portion of Section 35, Township 36 South and Section 2, Township 37 South, all in Range 14 West of the Salt Lake Meridian, in the Pinto Iron Mining District, Iron County, Utah. (For exact description, see Patent recorded in Book D of Patents, at Page 96)

ENT 33442 BK 2442 PS 42

<u>Claim No.</u>	<u>Date of Location</u>	<u>Recorded Book/Page</u>	<u>BLM Serial No.</u>	<u>Quarter Section Location</u>
KQ #1	05-11-78	1650/710	UMC-49895	SW1/4 Sec. 15 T. 9S., R. 1E.
KQ #2	05-11-78	1650/711	UMC-49896	SW1/4 Sec. 15 T. 9S., R. 1E.
KQ #3	05-11-78	1650/712	UMC-49897	SW1/4 Sec. 15 T. 9S., R. 1E.
KQ #4	05-11-78	1650/713	UMC-49898	NW1/4 Sec. 22 T. 9S., R. 1E.
KQ #5	05-04-79	1742/270	UMC-90984	SW1/4 Sec. 15 T. 9S., R. 1E.
KQ #6	05-04-79	1742/271	UMC-90985	NW1/4 Sec. 15 T. 9S., R. 1E.
KQ #7	05-04-79	1742/272	UMC-90986	NW1/4 Sec. 15 T. 9S., R. 1E.
KQ #8	05-04-79	1742/273	UMC-90987	NW1/4 Sec. 15 T. 9S., R. 1E.
Q #9	05-04-79	1742/274	UMC-90988	NW1/4 Sec. 15 T. 9S., R. 1E.
KQ #10	05-04-79	1742/275	UMC-90989	SW1/4 Sec. 15 T. 9S., R. 1E.
KQ #11	04-25-79	1742/276	UMC-90990	SE1/4 Sec. 15 T. 9S., R. 1E.
KQ #12	04-25-79	1742/277	UMC-90991	SE1/4 Sec. 15 T. 9S., R. 1E.
KQ #13	04-25-79	1742/278	UMC-90992	NE1/4 Sec. 22 T. 9S., R. 1E.
KQ #14	04-26-79	1742/279	UMC-90993	NE1/4 Sec. 22 T. 9S., R. 1E.
KQ #15	04-26-79	1742/280	UMC-90994	NE1/4 Sec. 22 T. 9S., R. 1E.
KQ #16	04-26-79	1742/281	UMC-90995	NE1/4 Sec. 22 T. 9S., R. 1E.
KQ #17	04-26-79	1742/282	UMC-90996	SE1/4 Sec. 22 T. 9S., R. 1E.
KQ #18	04-19-79	1742/283	UMC-90997	SE1/4 Sec. 15 T. 9S., R. 1E.
KQ #19	04-19-79	1742/284	UMC-90998	SE1/4 Sec. 15 T. 9S., R. 1E.
KQ #20	04-20-79	1742/285	UMC-90999	NE1/4 Sec. 22 T. 9S., R. 1E.
KQ #21	04-24-79	1742/286	UMC-91000	NE1/4 Sec. 22 T. 9S., R. 1E.
KQ #22	04-19-79	1742/287	UMC-91001	NW1/4 Sec. 14 T. 9S., R. 1E.
KQ #23	04-19-79	1742/288	UMC-91002	NW1/4 Sec. 14 T. 9S., R. 1E.
KQ #24	04-19-79	1742/289	UMC-91003	SW1/4 Sec. 14 T. 9S., R. 1E.
Q #25	04-19-79	1742/290	UMC-91004	SW1/4 Sec. 14 T. 9S., R. 1E.
KQ #26	04-19-79	1742/291	UMC-91005	SW1/4 Sec. 14 T. 9S., R. 1E.
KQ #27	04-19-79	1742/292	UMC-91006	SW1/4 Sec. 14 T. 9S., R. 1E.
KQ #28	04-20-79	1742/293	UMC-91007	NW1/4 Sec. 23 T. 9S., R. 1E.
KQ #29	04-20-79	1742/294	UMC-91008	NW1/4 Sec. 23 T. 9S., R. 1E.
KQ #30	04-20-79	1742/295	UMC-91009	NW1/4 Sec. 23 T. 9S., R. 1E.
KQ #31	04-20-79	1742/296	UMC-91010	NW1/4 Sec. 23 T. 9S., R. 1E.
KQ #32	04-20-79	1742/297	UMC-91011	SW1/4 Sec. 23 T. 9S., R. 1E.

<u>Claim No.</u>	<u>Date of Location</u>	<u>Recorded Book/Page</u>	<u>BLM Serial No.</u>	<u>Quarter Section Location</u>
KQ #33	04-19-79	1742/298	UMC-91012	SW1/4 Sec. 23 T. 9S., R. 1E.
KQ #34	04-19-79	1742/299	UMC-91013	SW1/4 Sec. 23 T. 9S., R. 1E.
KQ #35	04-19-79	1742/300	UMC-91014	NW1/4 Sec. 23 T. 9S., R. 1E.
KQ #36	04-20-79	1742/301	UMC-91015	NW1/4 Sec. 23 T. 9S., R. 1E.
KQ #37	04-20-79	1742/302	UMC-91016	SW1/4 Sec. 14 T. 9S., R. 1E.
KQ #38	11-07-83	2090/321	UMC-271139	NE1/4 Sec. 21 T. 9S., R. 1E.
KQ Mill-site #3	11-07-83	2090/322	UMC-271140	NE1/4 Sec. 21 T. 9S., R. 1E.
Hayes Mill-site #1	08-24-66	1021/470	UMC-92862	SE1/4 Sec. 22 T. 9S., R. 1E.
Hayes Mill-site #2	08-24-66	1021/471	UMC-92863	SE1/4 Sec. 22 T. 9S., R. 1E.

EXHIBIT B
TO
LETTER AGREEMENT

[Utah Bank Letterhead]

[Date]

CONFIRMED IRREVOCABLE LETTER OF CREDIT

Geneva Steel Company
10 South Geneva Road
Vineyard, Utah 84058

Gentlemen:

_____ has instructed us to advise you that it has established in favor of Geneva Steel Company, Debtor and Debtor-in-Possession ("Geneva"), or its assigns, its irrevocable letter of credit in the amount of \$100,000.00 (U.S.), effective immediately and expiring on November 30, 1999, in the following manner and on the following terms:

1. Funds under the letter of credit are available to you upon presentation of a sight draft in the form of Exhibit A attached hereto, accompanied by a statement that Bankruptcy Approval has been obtained, as defined in that certain letter agreement dated September 9, 1999 between Geneva and Oldcastle, Inc., or a statement that such letter agreement has been terminated in accordance with Section 14 thereof, such statement to be signed by Geneva.
2. The letter of credit is specifically transferrable and assignable.
3. Any dispute, action or proceeding arising out of or related to the letter of credit shall be commenced and maintained in the courts of the State of Utah, U.S.A.

We hereby confirm the letter of credit and agree with drawers, indorsers and bona fide holders that all drafts drawn under the terms of the letter of credit shall be duly honored by us upon presentation and delivery of the sight-draft and the foregoing statement if drawn and presented to us for negotiation on or before November 30, 1999. The letter of credit and this confirmation is to be governed by the Uniform Commercial Code of the State of Utah, U.S.A.

A facsimile copy of this confirmation shall have the same force and effect as the original.

Sincerely,

By _____
Its: _____

EXHIBIT "A" TO LETTER OF CREDIT

SIGHT DRAFT

To: _____

PAY TO THE ORDER OF Geneva Steel Company, or assigns, on sight the sum of One Hundred Thousand Dollars (\$100,000.00) drawn on your letter of credit dated September 10, 1999.

Geneva Steel Company,
Debtor and Debtor-in-Possession

By _____
Its _____

FILE NO.: 994097-JUN

SCHEDULE B - Section II

ANY POLICY WE ISSUE WILL HAVE THE FOLLOWING EXCEPTIONS UNLESS THEY ARE TAKEN CARE OF TO OUR SATISFACTION.

PART I:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof
3. Easements, or claims of easements or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any other facts which a correct survey would disclose, and which are not shown by the public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; ~~water~~ rights.
6. Any lien, or right to a lien, for services, labor or material hereto or hereafter furnished, imposed by law and not shown by the public records.
7. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.

EXCEPTIONS 1-7 WILL BE DELETED FROM AN ALTA EXTENDED COVERAGE LENDERS POLICY

8. Taxes for the year 1999 are now accruing as a lien, but are not yet due and payable. (Tax Parcel No. 29:029:0030).

Taxes for the year 1999 are now accruing as a lien, but are not yet due and payable. (Tax Parcel No. 29:029:0031).

Taxes for the year 1999 are now accruing as a lien, but are not yet due and payable. (Tax Parcel No. 29:019:0005).

Taxes for the year 1999 are now accruing as a lien, but are not yet due and payable. (Tax Parcel No. 29:019:0018).

Taxes for the year 1999 are now accruing as a lien, but are not yet due and payable. (Tax Parcel No. 29:019:0017).

LAWYERS TITLE INSURANCE CORPORATION

FILE NO.: 994097-UN

SCHEDULE B - Section II
(Continued)

Taxes for the year 1999 are now accruing as a lien, but are not yet due and payable. (Tax Parcel No. 29:027:0001).

Taxes for the year 1999 are now accruing as a lien, but are not yet due and payable. (Tax Parcel No. 29:027:0002).

Taxes for the year 1999 are now accruing as a lien, but are not yet due and payable. (Tax Parcel No. 29:020:0026).

Taxes for the year 1999 are now accruing as a lien, but are not yet due and payable. (Tax Parcel No. 29:014:0003).

Taxes for the year 1999 are now accruing as a lien, but are not yet due and payable. (Tax Parcel No. 29:029:0033).

9. Subject to the effects of UNITED STATES DEPARTMENT OF THE INTERIOR DESIGNATION OF RIGHT-OF-WAY, STRAWBERRY VALLEY PROJECT, STRAWBERRY HIGH LINE CANAL, Recorded JANUARY 22, 1998, as Entry No. 6161, in Book 4499, at Page 552, UTAH County Recorder's Office.
10. Subject to the effects of an EASEMENT, dated MAY 9, 1951, executed by EPHRAIM R. NELSON AND RADCLIFFE NELSON, collectively as Grantors, and GENEVA, as Grantee, Recorded as Entry No. 5253, in Book 550, at Page 500, UTAH County Recorder's Office.
11. Subject to all Easements and Restrictions of Record.
12. Subject to the effects of RESOLUTION NO. 1994-47, Recorded JANUARY 9, 1995, as Entry No. 1453, in Book 3601, at Page 137, UTAH County Recorder's Office.
13. DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING securing an indebtedness of the amount stated therein and any other amounts payable under the terms thereof:

Dated: AUGUST 31, 1987
Amount: \$27,500,000.00, plus interest
Trustor: BASIC MANUFACTURING AND TECHNOLOGIES OF UTAH, INC., A UTAH CORPORATION
Trustee: ASSOCIATED TITLE COMPANY
Beneficiary: ITT COMMERCIAL FINANCE CORP., A NEVADA CORPORATION
Recorded: SEPTEMBER 1, 1987
Entry No.: 33443
Book: 2448
Page: 71

LAWYERS TITLE INSURANCE CORPORATION

FILE NO.: 994097-UN

SCHEDULE B - Section II
(Continued)

14. UCC-1 FINANCING STATEMENT with schedule attached thereto, executed by BASIC MANUFACTURING AND TECHNOLOGIES OF UTAH, INC., A UTAH CORPORATION, SOMETIMES DOING BUSINESS AS GENEVA STEEL, as Debtor, in favor of ITT COMMERCIAL FINANCE CORP., as secured party, regarding certain rights and collateral associated with the subject property. Said UCC-1 recorded SEPTEMBER 1, 1987, as Entry No. 33445, in Book 2448, at Page 283, UTAH County Recorder's Office.
15. Notice of Lien, executed by BROWN MINNEAPOLIS TANK, DOING BUSINESS AS BROWN MINNEAPOLIS TANK, in the amount of 34,746.65, recorded FEBRUARY 16, 1999, as Entry No. 17355, in Book 4975, at Page 587, UTAH County Recorder's Office.
16. Chapter 7 Bankruptcy, filed MARCH 5, 1992, by GENEVA STEEL (Social Security Numbers NONE GIVEN, respectively), as Case No. 92-21557, United States Bankruptcy Court, District of Utah.
17. Chapter 11 Bankruptcy, filed FEBRUARY 1, 1999, by GENEVA STEEL (Social Security Numbers NONE GIVEN, respectively), as Case No. 99-21130, United States Bankruptcy Court, District of Utah.

NOTE: The following name(s) have been checked in the records of the UTAH County Clerk for Judgments, and the UTAH County Recorder for Federal Tax Liens:

BASIC MANUFACTURING AND TECHNOLOGIES OF UTAH, INC.

Countersigned: Matthew Jagerson
Authorized Officer or Agent

American Land Title Association Commitment-Utah
Schedule B-Section 2
Form No. CU-B

.....Your
order has been assigned to Matthew Jagerson for a full service escrow. For questions concerning your
escrow please contact him at (801) 225-2100.

Please make any inquiries for Title Questions to Matthew Jagerson at (801) 225-2100.

NOTE: THE POLICY(IES) TO BE ISSUED AS A RESULT OF THIS COMMITMENT
CONTAIN AN ARBITRATION CLAUSE SET FORTH IN THE CONDITIONS AND
STIPULATIONS SECTION. THE FOLLOWING IS INCLUDED FOR THE INFORMATION
OF THE PROPOSED INSURED(S):

LAWYERS TITLE INSURANCE CORPORATION

CERTIFICATE OF SERVICE

I certify that on September 15, 1999, I served a true and correct copy of the foregoing Motion upon all parties listed on Master Service List #13, dated August 20, 1999, filed in this case, by U.S. First Class Mail, postage pre-paid, and upon the following:

United States Attorney's Office
185 South State Street #400
Salt Lake City, Utah 84111

Office of Lieutenant Governor
210 State Capitol
Salt Lake City, UT 84114

State of Utah Department of Commerce
Division of Corporations & Commercial Code
160 East 300 South, 2nd Floor
Salt Lake City, UT 84111

Utah County Attorney
100 East Center Street, #2100
Provo, UT 84601

Utah County Assessor
100 East Center Street, #1100
Provo, UT 84606

Corporate Trust Agency Group
Bankers Trust Company, Indenture Trustee
Four Albany Street
New York, NY 10006

Congress Financial Corp.
1133 Avenue of the Americas
New York, NY 10036

SAP America Inc.
P.O. Box 7780-4024
Philadelphia, PA 19182-4024

US Steel
P.O. Box 371505M
Pittsburgh, PA 15251

Voest-Alpine Services & Technology
60 East 42nd Street
New York, NY 10165

Shieldalloy Metallurgical Corp.
P.O. Box 310
Cambridge, OH 43725-0310

Remacor
P.O. Box 400157
Pittsburgh, PA 15268-0157

North American Refractories
P.O. Box 7247-8741
Philadelphia, PA 19170-8741

Finova Capital Corporation
115 West Century Road, 3rd Floor
Paramus, NJ 07652

Hewlett-Packard
P.O. Box 92013
Chicago, IL 60675-2013

US Aggregates
George E. Butler, Esq.
201 Peachtree Circle
Atlanta, Georgia 30309-3206

State of Utah Division of Oil, Gas & Mining
c/o Patrick J. O'Hara, Esq.
Assistant Attorney General
Utah Attorney General's Office
160 East 300 South, 5th Floor
Salt Lake City, Utah 84114-0857

ITT Commercial Finance Corp.
445 Minnesota Street
St Paul, Minnesota 55101

Anna W. Drake
215 South State Street, Suite 900
Salt Lake City, Utah 84111

Brown Minneapolis Tank
Allan R. Popper
P.O. Box 64670
St. Paul, Minnesota 55106

Oldcastle, Inc.
Attention: S. Val Staker
1000 West Center Street
North Salt Lake City, Utah 84054

James P. Ricciardi
Steven R. Shoemate
Joshua F. Cender
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166-0193

Laurie Anne Janner